Technical Notes

NATIONAL SOCIETY FOR BUSINESS BUDGETING

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Fellow Budgeteers: it seems fitting and proper that this first issue of Technical Notes be published just before the birth of a New Year. At this time of the year particularly, we place our emphasis on looking and thinking ahead. We who are in the budgeting field know that it is this forward look that distinguishes our application of accounting techniques from that of the much more familiar historical accounting approach. We also find that if we are to make a significant contribution to our dynamic American economy we must train ourselves to skillfully apply the principles and tools available in many more fields than those contained in the area of technically correct accounting practice.

Logically, therefore, this first issue of "Technical Notes" is devoted principally to the examination of the "Outlook for 1953." Credit for this study goes to Mr. Lee Miller, Chairman of the National Research Committee of the N.S.B.B.

One of the purposes of this publication is to encourage the literary talents of the membership. Original articles on the subject of budgets and its broad related fields are earnestly solicited for publication in the "Notes."

Another purpose of the "Notes" is to provide a medium for the sharing with our membership of any good articles or talks which you as members may have read or heard.

At your service is the "Question Box;" - we have a very capable committee who will try to give their best opinion, suggestion, or answer to your query.

It is hoped that from this modest beginning that "Notes" can be further expanded and become an increasingly important factor in the budget world.

Inasmuch as so much of this issue covers the economic outlook it might be well for us to consider how can we in our budget work keep abreast of current trends. One answer is given by Dr. Bliss who spoke at our National annual meeting in New York and who is quoted in a recent issue of the Harvard Business Review as follows:

"Quite often I get inquiries about the publication that will keep a reader abreast of current trends. Perhaps my best contribution would be to give a list of such publications for keeping up to date on the facts of current business conditions."

"Notice," said Prof. Bliss, "that the list includes chart-books in case your tastes happen to run to graphic presentation. I see no reason for a businessman hiring someone to keep charts up to date when such publications are available.

"Take ECONOMIC INDICATORS for example. Here is pretty prompt reporting of the basic figures on national income and spending, on prices, employment, etc. Indeed, some of the earliest preliminary figures appear in this publication. And some people like the brief interpretations of what the figures and charts show. I put it first because I think it gives most succinctly the basic figures for the man not interested in technical details.

"For a summary of detailed figures, the SURVEY OF CURRENT BUSINESS is the best bet. In this magazine the Office of Business Economics of the Department of Commerce presents current figures (last twelve months or equivalent) for some 2,600 business indicators. Besides this encyclopedia of current figures each issue includes an article or two well worth the investment of time needed to read it."

"When I recommend the ANNUAL ECONOMIC REVIEW of the Council of Economic Advisers," continued Prof. Bliss, "I should add that I do not recommend all the ideas contained therein. But it is important to see these ideas and to consider their possible impact. A middle ground is fine, but I believe that knowing the ideas of others is one way to be sure of the soundness of our own view. The fifty-page appendix to the report also provides a very handy statistical compendium.

(Continued on page 2)

"You'll see I added the LONDON ECONOMIST to our basic list. Too much writing in the field of economics is downright dull. But the ECONOMIST proves it doesn't have to be dull at all. And more than that, the point of view of a foreign observer is immensely worth while. Particularly is this so with respect to the 'American Survey' section of the ECONOMIST. This feature originates in Washington, is touched up in London and is always profitable reading despite its roundabout routing. What it had to say about the steel crisis in May was about the best that appeared in print.

"In some ways," Prof. Bliss went on "the nearest thing to the LONDON ECONOMIST in this country is the MONTHLY LETTER OF THE NATIONAL CITY BANK OF NEW YORK. Only the most unliberal of the liberals would claim its banker's bias interferes with an orderly, thoughtful and provocative analysis of the current scene. It may not be written in the same happy vein as the ECONOMIST, which makes that journal such a pleasure to read for reading's sake alone, but it does its job calmly and effectively. Also it can be had for no more than the asking!"

Here is the line-up suggested by Professor Bliss for busy businessmen who would keep up with the economic world. The total investment per year -- approximately $35.00.

ECONOMIC INDICATORS, monthly, Council of Economic Advisers, $2.00 per year.

SURVEY OF CURRENT BUSINESS, monthly, Dept. of Commerce, $3.25 per year, and BUSINESS STATISTICS SUPPLEMENT, biennial, Dept. of Commerce, $1.50 per copy.

FEDERAL RESERVE CHARTS ON BANK CREDIT, MONEY RATES AND BUSINESS, monthly, and HISTORICAL SUPPLEMENT to the above with records back to 1919, $6.00 per year.

FEDERAL RESERVE BULLETIN, monthly $2.00 per year.

ECONOMIC REPORT OF THE PRESIDENT and its supplement, ECONOMIC REVIEW OF THE COUNCIL OF ECONOMIC ADVISERS, annual, $.50 per copy.

(All the above are government publications available from the U.S. Superintendent of Documents, Washington, D. C.)

MONTHLY LETTER OF THE NATIONAL CITY BANK OF NEW YORK, free.

LONDON ECONOMIST, London, weekly, 3 pounds per year.

ANALYST JOURNAL, quarterly, $4.00 per year.

HARVARD BUSINESS REVIEW, bi-monthly, $6.00 per year.

Also: FORTUNE, BUSINESS WEEK and similar news magazines.

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THE OUTLOOK FOR 1953

The individual Chapters studied the Outlook for 1953 in various ways. In New York and Chicago, the topic was discussed by an economist. Philadelphia programmed three members as a panel. Milwaukee used a third method. Seventeen members spoke three minutes each on assigned factors which will have an influence on economic conditions in 1953.

This report on the programs is divided into two sections:

Section I summarized the conclusions of the New York, Chicago, and Philadelphia Chapters.
Section II reports on the group panel method which may be of broad interest as a program technique.

SECTION I

NEW YORK CHAPTER

THROUGH THE LOOKING GLASS - Dr. Robert W. Adams - Standard Oil Co. (N.J.)

Dr. Adams discussed both the near-term outlook and the long-term outlook. The major spending components for the near-term were taken as: (1) government, (2) business spending on capital goods, and (3) individual's spending on consumer goods and services.

The summation on the near-term outlook was:

"Government spending for defense will increase, though perhaps at a slower rate than in the past; business capital investment, though near its peak, will not change much in either direction, as the results of the steel strike defer some projects until next year: and consumer spending will probably increase both as a result of increasing income and also relative to income. The net result is that total real demand for the gross national product will probably continue to rise moderately until at least mid-1953. In quantitative terms, we expect real gross national product to average about 2% higher in 1953 than in 1952."

CHICAGO CHAPTER

ECONOMIC OUTLOOK FOR 1953 - William W. Tongue - Economist - Jewel Tea Co.

The presentation stressed the influence of Russian policy upon American business conditions. Both near-term and long-term probabilities were discussed. The importance of tax reduction as a counteracting force to depression possibilites was emphasized.

The conclusion on the near-term was:

"Three factors promise to sustain business on a high and rising plane into the middle of next year at least:

First, the private economy has completed a painful adjustment to the post-Korean excesses of 1950 and early 1951. Price relationships that were all out of kilter have been corrected, swollen inventories have been reduced, and consumers are spending their money with exceptional care. This sets a sound foundation for the recovery now under way.

Second, business capital expenditures are likely to continue close to current high levels through the first half of next year at least. The same is true of residential construction. Neither poses a serious threat to sustained activity over the near-term.

Third, defense expenditures are now scheduled to rise further into the second or third quarter of next year - by five billion dollars or more from current rates."

Thus the major factors determining business activity promise to be on the positive side, at least to the middle of next year. Moreover, past experience suggests that the current recovery should carry well beyond mid-1953. It would be a most unusual expansion that lasted only nine months. But sometime after June 1953, we can see the specter of possible depression:

"First, after the construction of defense facilities reaches its peak late this year or early next, the present extraordinary rate of capital expenditures is likely to diminish.

Secondly, we all look forward hopefully to the time when we can afford to cut back on federal expenditures. We expect the new administration to achieve economies in both defense and civilian functions of government. This is desirable from many standpoints but initially it is depressing to business."

PHILADELPHIA CHAPTER

Philadelphia concluded that the present level of business activity would hold for the first months and probably for the first nine months of 1953. Philadelphia expects that there will be a moderate decline in the fourth quarter of 1953.

Three Chapter members constituted Philadelphia's panel - C. R. Hansel, of the Midvale Company; H. C. Hill, Jr., of the Atlantic Refinery Company; and W. H. Shaffer, of the John B. Stetson Company. Panel members reviewed the techniques used by their companies in constructing forecasts. Speakers were chosen from widely differing industries.

SECTION II - (MILWAUKEE CHAPTER)

Milwaukee examined twenty factors that may have an effect on "prosperity." Seventeen members participated so that nearly everyone "got into the act." The program illustrated the approaches that can be used by a company that does not have an economist on its staff.

Members rated the individual factors discussed as to whether the points reviewed would tend to:

1. Increase the "volume of business" above present levels.
2. Sustain volume at present levels.
3. Reduce volume from present levels.

The group recognized that current comments in the press ranged from predictions of a decline starting in the first, second, or third quarter of 1953 to predictions of increasing volume throughout the year because of continued inflationary pressures.

INDICATORS OF CONSUMER VIEWPOINTS	Rating of Influence on Volume			
	Higher	Same	Lower	Not Rated
Outlook for Retail Trade	8	21	4	0
Outlook for Consumer Goods	20	8	5	0
Price Levels for the Consumer	9	22	2	0
Spendable Income	30	3	0	0

This tabulation indicates that the group believed Consumers will probably continue to support a high level of retail trade. Few thought that the factors discussed indicated a decline in volume. The majority indicated retail trade probably would be as good as at present or at a slightly higher level. The high vote for same level seems to indicate that the group doubted that retail trade would be at a substantially higher level.

Specific comments upon outlook were:

Retail Trade - Korean War scare buying has been absorbed. Inventories are in balance. Stores are buying for current requirements and are not increasing inventories. Sales volume is "good." Retail prices can be expected to increase (over-all) 2 to 2-1/2 percent.

Consumer Goods - Competition is intense. New products or redesign of present products can be expected by companies fighting to hold or improve their position within their own industry. Promotional expense can be expected to increase in the struggle to hold or increase volume. Little opportunity for companies to increase prices substantially.

Price Levels - Cost of Living Indices not expected to increase sharply but may increase slightly. No sharp increase in index as occured in the fall of 1950 and

continued into 1951. Rents may increase. There is a possibility that changes in food, clothing, and miscellaneous family costs may nearly equalize each other or result only in slightly higher costs.

Spendable Income - Available information indicates that the net personal income available for spending in 1953 may be about 2 to 3 percent greater than in 1952. Gross income is expected to be higher, income taxes will syphon off part of this increased income, "savings" probably will continue high and may increase slightly. However, the net result probably will be that purchasing power in 1953 will probably be somewhat greater than in 1952.

INDICATORS OF BASIC ACTIVITY	Rating Of Influence on Volume			
	Higher	Same	Lower	Not Rated
Construction - Industrial	19	7	7	0
- Home	24	5	3	1
Automobiles	24	8	1	0
Heavy Industry	24	5	4	0
War Contracts	25	4	4	0

This tabulation indicates that the group believed that the foundations of present business activity is sound and will continue to be strong in 1953. The most pessimistic interpretation of the tabulation is that at least a substantial opportunity for expansion of volume exists.

Specific comments upon outlook were:

Construction - Industrial - In spite of the possibility of creating "excess capacity" in some industries, industrial expansion is continuing at a very high level. Pressure for increased efficiency was noted as being one cause for the expansion. Special "tax write-offs" may be approaching an end and some plants built for other purposes are being converted to other uses when construction has been completed.

It was noted that governmental projects was not an assigned topic but that the projects planned were substantial and probably sufficient to offset any unexpected decline in industrial construction during 1953.

Construction - Homes - Home construction was expected to continue at a high level and was expected to be "as good as 1952 or better." It was pointed out that this level permitted only three percent of the families to have a new home.

Automobiles - Restyling and new engines were reported to be the trend for 1953 automobiles. Prices might be up 5 to 7 percent at announcement time - but some prices might even be a little lower than at present. Government regulations were expected to be eliminated by April. There were indications that initial price increases might be dropped by early spring and that increased sales effort probably would be required if a company held or increased its volume. In other words, the automobile outlook was for intensified competition among producers.

Heavy Industry - Heavy industry was reported to be looking towards 1953 with confidence. However, all was probably not rosy. "Customers" are finding themselves less liquid, and working capital of "customers" is hard to accumulate so that expansion can be financed out of earnings. Nevertheless, the momentum of expansion "fever" continues. Bidding on jobs is competitive by suppliers. Individual suppliers may find themselves accepting orders that turn out to be "undesirable." Deliveries and production of heavy equipment producers should continue at a high level in 1953.

War Contracts - War contracts should continue at a high level in 1953. Whether "tapering off" would start in 1953 or 1954 could not be forecast definitely. It was doubted that termination of the Korean War would cause abrupt reductions in war contracts. However, companies having war contracts could expect continuous revisions (up or down) of schedules throughout 1953.

GROSS NATIONAL PRODUCT

A discussion of Gross National Product was included as a check point to see whether prior conclusions were confirmed by the projections for Gross National Produ

The tabulation on the probable Gross National Product figure was: Higher 28, Same 2, Lower 3.

It was pointed out that the estimates of Gross National Product recognize a multitude of factors and in many ways a discussion of Gross National Product recovered the individual subjects previously discussed. Discussion brought out that 1952 quarterly estimates were approximately $345 billions in contrast to the fourth quarter of 1948 when the figure was $267 billions. It was believed that 1953 would probably produce quarterly estimates ranging from a low of $345 billions to a high of $357 billions - or even $360 billions.

It was pointed out, however, that estimates of Gross National Product should not be relied upon alone in looking at the outlook for the new year and that Gross National Product should not be looked upon as a short cut to the answer for a particular company's future planning. Instead, Gross National Product figures were presented as being a device for recording "booms and busts" and as a means of confirming other conclusions for example:

The conclusions under I and II appeared to be confirmed by the probable trend in GNP figures in 1953.

It was emphasized that the "progress of a company in relation to the progress of competing companies and the trend of its industry in contrast to the trend in other industries was of more significance to an individual company in its plans for the future than the probable 1953 figures that would develop for Gross National Product.

PRODUCTION FACTORS

The factors discussed under the title "Production Factors" affect general business levels. However, the test used by the group was whether the individual trends were favorable or unfavorable to support the volume indicated in prior discussions.

	Rating of Influence on Volume			
Production Factors	Higher	Same	Lower	Not Rated
Raw Material				
Steel	30	3	0	0
Copper, Brass & Aluminum	8	17	8	0
Other Raw Material	21	8	3	1
Factory Labor	8	8	17	0
Inventory Trends	7	4	21	1
Money Market	2	1	30	0

Steel - The supply situation will improve early in 1953. Although mill prices will be firm, fabricators' costs will be lower because of steady mill supplies. New steels will improve efficiencies in fabricators' plants.

Copper, Brass & Aluminum - Situation in 1953 will be similar to 1952. Will be under CMP until July. Prices will be same as 1952. Deliveries will be spotty in early part of 1953 but should improve during last half of new year. Improvement should appear in Aluminum first. Copper and Brass scrap market should be "tight."

Other Material - Leather will be abundant and prices should have downward trend: 5 to 10 percent lower than at present. Synthetic materials should make further progress and intensify competition. "Other Materials" should be abundant as world supply catches up with shortages. Prices not expected to increase much for "Other Materials."

Labor - Labor rates were not expected to "come down" in 1953. Steel and Coal negotiations were expected to set pattern for other revisions in 1953. Escalator clause.

efficiency, and merit adjustments were expected to increase labor costs. The "labor supply" was pictured as being "tight" and as a limiting factor on a substantial expansion of production in 1953.

Inventory Trends - Inventories were not expected to increase. In fact, might decrease. Therefore, inventory liquidation might be a brake on production expansion.

Money Markets - Interest rates have moved up recently and are expected to increase further. This trend will increase cost of short-term loans and force higher interest rates on any refinancing. Banks are nearing their loaning limits and interest rates on new "governments" are attractive to investors.

Conclusion - The tabulation indicated that raw material was considered sufficient to support increased production but that labor supply, inventory trends, and interest rates would operate to reduce the present volume of production.

OTHER FACTORS

Foreign Affairs - Foreign trade was expected to decline. Foreign political situation was expected to continue unstable. Changes in foreign countries were not expected to be a major factor in business volume in U. S.

Government Fiscal Policy - Federal government was expected to operate at a deficit. Considered a continued inflationary factor.

Willingness to Spend - Even though "Consumers" would have substantial purchasing power they were expected to continue to be selective in their purchases. No buying sprees were expected.

CONCLUSION

Milwaukee concluded that 1953 would be characterized by "cross currents," such as:

1. Potentialities exist for increased sales volume but many companies will have to re-examine their merchandising and selling programs if they expect to hold or expand their volume.
2. Companies operating on a contract or quotation basis will be tempted to take "unprofitable" business to hold volume.
3. The long expected change from a seller's market to a buyer's market probably will develop in 1953.
4. Raw Materials will be available in adequate quantities and at favorable costs; but the labor supply, inventory trends, and interest rates will work to retard a further expansion of production.
5. Prices are expected to increase slightly in general but not spiral in an inflationary manner.
6. Unless the present Excess Profits Tax Rates are allowed to expire, profits after taxes are expected to remain at present or slightly lower levels.

The outstanding factor in the Milwaukee discussion was the stress placed on the importance of merchandising plans and selling programs in appraising the outlook for 1953.

COMMENTS ON "THE OUTLOOK FOR 1953"

BY Dr. R. O. Lang, Economist
S. C. Johnson & Son, Inc.

While it is important to estimate the level of general business activity for a 12-month period, it is equally and sometimes more important to estimate the direction and rate of change likely during the year. To estimate that one or more economic indicators will be up or down 2 or 3 percent may not be helpful to a small business because (1) the margin of error, of even the so-called "professional" forecasters is more than 3 percent and (2) in every postwar year the change in most economic indicators (except those affected by major strikes) from one year to the next has been more than 3 percent. Perhaps 1953 will be a year of relative stability, but historically the chances are against it.

If it were possible for your group to estimate the outlook for general business in terms of, (1) direction - up or down, (2) rate of change - rapid or slow, (3) amount of change - small or substantial, then one might conclude that "1953 will probably be a year of slow increase in business activity resulting in a small change over 1952" or "1953 will probably be a year of slow rise in the first half and rapid decline in the later months with total business activity for the year about 5 to 10 percent below 1952." Such a statement checked by answers to questions or individual economic indicators should be helpful to small companies who do not have an economist on their staff.

Most years are, fortunately, years of cross-currents of business trends. If most businesses were declining at one time, the magnitude of a recession would be great. The statement "long expected change from a seller's market to a buyer's market" is somewhat inaccurate as we have had a number of "buyer's markets" in the past four years. Again, if competition will be intense, if raw materials will be in adequate supply and if inventories are in balance or in process of liquidation, the conclusions (1) that prices will rise and (2) that production and construction will also increase, do not necessarily follow. Production and construction increases must be a result of increased demand -- and intense competition usually means demand is declining or relatively stable while supply is high or increasing. Construction of defense plants by the Federal government or on behalf of the government reached a peak in 1952 and is very likely to decline from now on. The demand for residential housing, at current price-income relationships, has lessened and 1953 is likely to be a year of fewer houses than 1952.

Question

Box

"Does a practical method exist to obviate the necessity for making repeated complex adjustments in 'Break Even Point' analyses and charts due to changing values of the dollar?"

Answer: The phraseology of the question indicates that its author is an adherent of the historical, charting school of thought in regard to breakeven points. Most of those in this group are devotees of scatter-charts, and since scatter-charts must cover a sufficiently long period in the past, they must, to be accurate, be endlessly adjusted for variations in the dollar values, changes in the size of the departments under study, in techniques, in the use of labor, etc. While this type of approach is perhaps the most commonly used means of determining breakeven points, in my opinion it lacks practicable applicability to future courses of action. After all, a breakeven point is established not so much to see what might have been done in the past as to help guide future action, and conditions may be different.

I have yet to find a more reliable basis for a profit-graph or a breakeven point than a good modern flexible budget. Such a system indicates the cost variances at various levels of operations and takes into account the many little, subtle but ubiquitous changes in operating techniques of every foreman, superintendent, and manager, and others who shape the course of the company. It does this at one point of time, so that there need be no reconciliation as far as dollar values are concerned.

This is a newer approach to breakeven points, a different technique of arriving at the segregation of variable and standby expenses. It is a practical method of bringing the breakeven point analyses up to date from time to time and changes the outlook from a backward look at history to a forward look at what could happen tomorrow.

Every time a machine is replaced with a more modern machine, every time an additional machine is bought, every time a foreman has a bright new idea to save time, to increase efficiency, or to rearrange his shop to reduce material handling, the relationship of standby to variable costs changes. These changes are recognized only in a current and forward-looking budget.

In the range of volume within which an organization will in all probability operate, the "fixed" expenses represented by such things as depreciation, insurance, and taxes constitute a relatively insignificant part of true standby costs. It is that part of the personnel

(field as well as shop) with which one would not dispense, the advertising that one would not dare reduce, and the other obligations which a going concern would just not dare eliminate if it expected to stay in business, that consitute the real standby costs. What a company intends to do about many of these things is determined by administrative decision. Such decisions are a matter of planning for the future, and of commitments made, real and implied. These cannot be gleaned from the Accounting records of the past five years, though these records will be helpful in gauging the future. These plans and commitments can be determined only from budgets for the coming period. The budgets, however, should not be fixed, but flexible. They should indicate what is expected to happen and what would be done about it if the volume were suddenly much greater or much less than anticipated. To the extent that top management would reduce or increase the field sales force in the face of rising or lowering volume; to the extent that it would dispense with key personnel or need to add further key personnel, it has created a variable expense. But to the extent that these costs will remain stationary by wise choice of the operating management, a practical standby expense has been shown, as it will exist within the next year or two.

This is an approach to flexible budgeting which is far more practicable and practical than a mere projection of the past blindly into the future. If this is done, there is no need to adjust existing charts or changing values of the dollar, but neither will a chart once made last indefinitely in a dynamic economy. So many things happen that influence management action and influence the relationship of costs to each other and to volume that it is far better to prepare a new breakeven chart every time a new budget is prepared. The material is readily available from the budget and it should not take more than an hour to prepare the new breakeven information. This is not a tedious, complex adjustment but simply the application of the plans for the future to a problem at hand.

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In my work with "breakeven point" analyses, I have never tried to make adjustments for the changing value of the dollar.

To me, a "breakeven point analysis," or chart, is useful for two things:

1. To summarize a complex situation so that management can obtain a quick picture of an operation based upon a certain assumption.

2. The use component items in the budget for what might be called "line by line" or "group" comparisons to actuals.

The "breakeven point" is controllable by certain management decisions which are more important than the changing value of the dollar within relative short periods of time, such as a year. Therefore, to make adjustments for changes in the value of the dollar might infer greater accuracy than can be expected from "breakeven point" chart procedures.

Even more important as to the accuracy of the "breakeven point" might be a shift in the sales mix of a company having many products of different profitability.

I can see two areas in which revisions might be made within a year due to changes in conditions. These conditions might be related to, or caused by changing values in the dollar. These two conditions are; (1) Revision in the selling prices for product lines, (2) Changes in labor rates due to labor contracts having cost of living adjustment factors.

Changes in raw material prices (due to the above mentioned factors in respect to suppliers' business) I would take as raw material variances.

Broadly speaking then, that leaves only, or at least primarily, shop supplies and tools as the other group of major expense that might be affected by changes in the dollar value within a given fiscal year. To me, these changes are too minor to warrant revising a "breakeven point" analysis.

I can see some value in using changing values of the dollar as a check procedure in setting up the budget. Here it could be used to appraise the budget proposals to see if there is a correspondence between increased and decreased costs in relation to the shift in the value of the dollar from one budget period to another.

In conclusion, I do not know of a practical method to correct "breakeven point" analysis for changing values in the dollar within a budget period. I would not be much concerned unless a very high rate of inflation was being experienced.

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We may remove some portion of the inflation from the chart by using physical units as the independent variable in preparing the chart. For example, we might use units of product sold instead of sales dollars or standard labor hours in shipments. However, this would not remove the inflationary effect on costs, since they would still be expressed in dollars, rather than physical units. One approach to this would be through usage of basic standard costs, but the clerical cost might well outweigh the advantages gained.

To summarize, I do not believe there is any short, simple way to make the desired adjustment. Instead, let us recognize breakeven charts for what they are. They are not highly accurate working plans for the operation of the business. It is likely that we should not think of a breakeven point, but a breakeven area. If we widen our concepts, and look upon the breakeven chart as a tool in the kit of the industrial manager, we can gain many of its benefits without discarding it for its lack of technical accuracy.

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The above answers are the combined results of replies to this question from four members of the National Society for Business Budgeting. Perhaps, this is not the kind of answer expected by the questioner; but, in my opinion, it is the most nearly correct answer that can be given to this question.

If there are any readers who disagree or who have other approaches to this problem -- your editor will welcome hearing from you.

In the meantime -- do you have a question? If so, let us have it and we will see what we can do with it.